



Nestlé Good food, Good life

Nestlé India

Financial Analyst and Institutional Investor Webcast

26th Feb 2021

Disclaimer

This presentation may contain statements which reflect Management's current views and estimates and could be construed as forward looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which holds only as of the date.

The future involves uncertainties and risks that could cause actual results to differ materially from the current views being expressed.

Potential uncertainties and risks include but are not limited to factors such as changes in general economic, political or market conditions, commodities and currency fluctuations, competitive product and pricing pressures, industrial relations and regulatory developments.

Significant disruptions in the operations due to unforeseen events (including as a result of the spread of disease)

Volume and Mix and Organic Growth (OG) are basis Nestlé Internal Reporting Standards.

Figures are regrouped / reclassified to make them comparable.

Calculations are based on non-rounded figures.

'Analytical data' are best estimates to facilitate understanding of business and NOT meant to reconcile reported figures.

Answers to Questions may be given basis generally available information.



15.30 – 15.55 :
Report Card of a
Resilient
Organization –
Presentation by
Suresh Narayanan

15.55 – 16.30:
Q&A

Agenda



Report Card of a Resilient Organization

Our Vision



Key Highlights 2020

Strong domestic sales growth, broad based and largely driven by volume and mix.

Nearly two thirds of our key products, boosted by in home consumption, posted double digit growth.

Innovation and Renovation pipeline continues to be a thrust area.

Demand in Out of Home channels continued to improve.

E-Commerce continues to contribute better towards Domestic Sales.

FY
2020

Sales: Broad Based Performance Across All Product Groups



Report Card of a Resilient Organization

The Consumption
Opportunity

Our Growth Model

A History of Sustainable
Performance

Creating Shareholder
Value

A Strong Thrust on
Innovation

Rapidly Accelerating our
Footprint

Consistent Media
Support to our Brands

Navigating Commodity
Headwinds

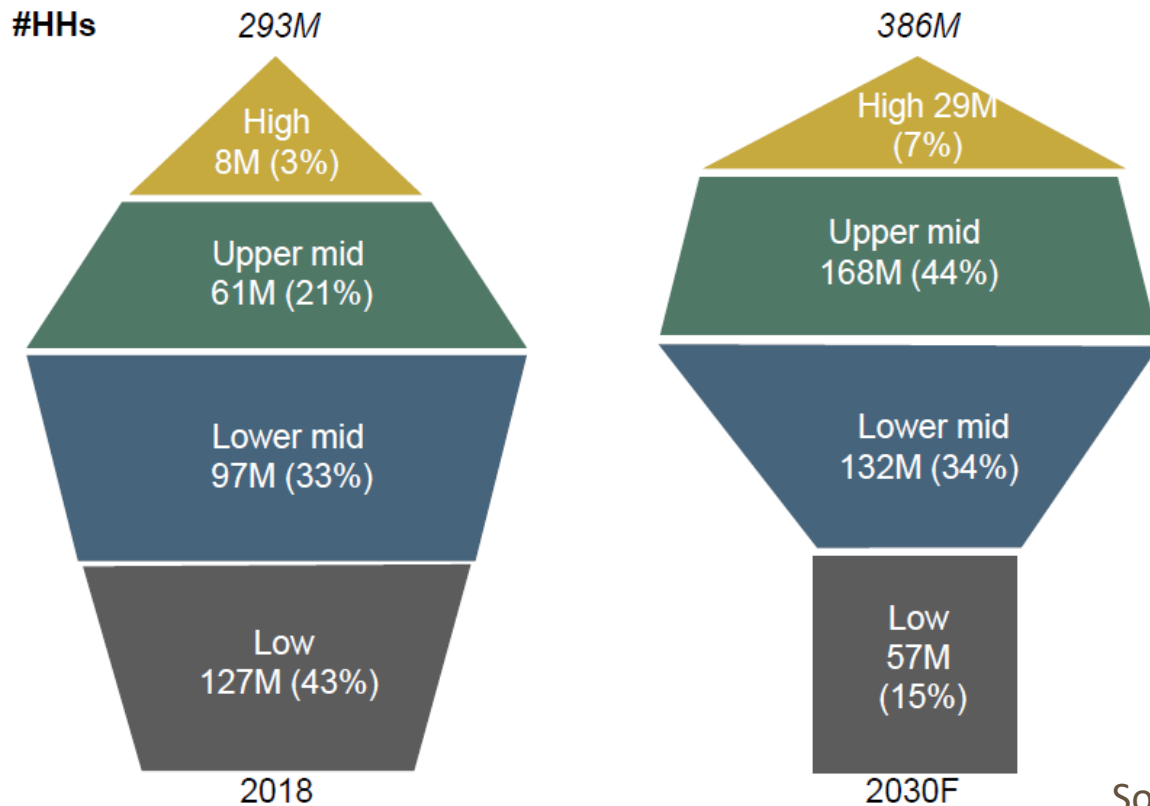
Our People Matter

Unwavering
Commitment to
Sustainability and
Tackling Climate Change

Continuing with Our
Proven Growth Model

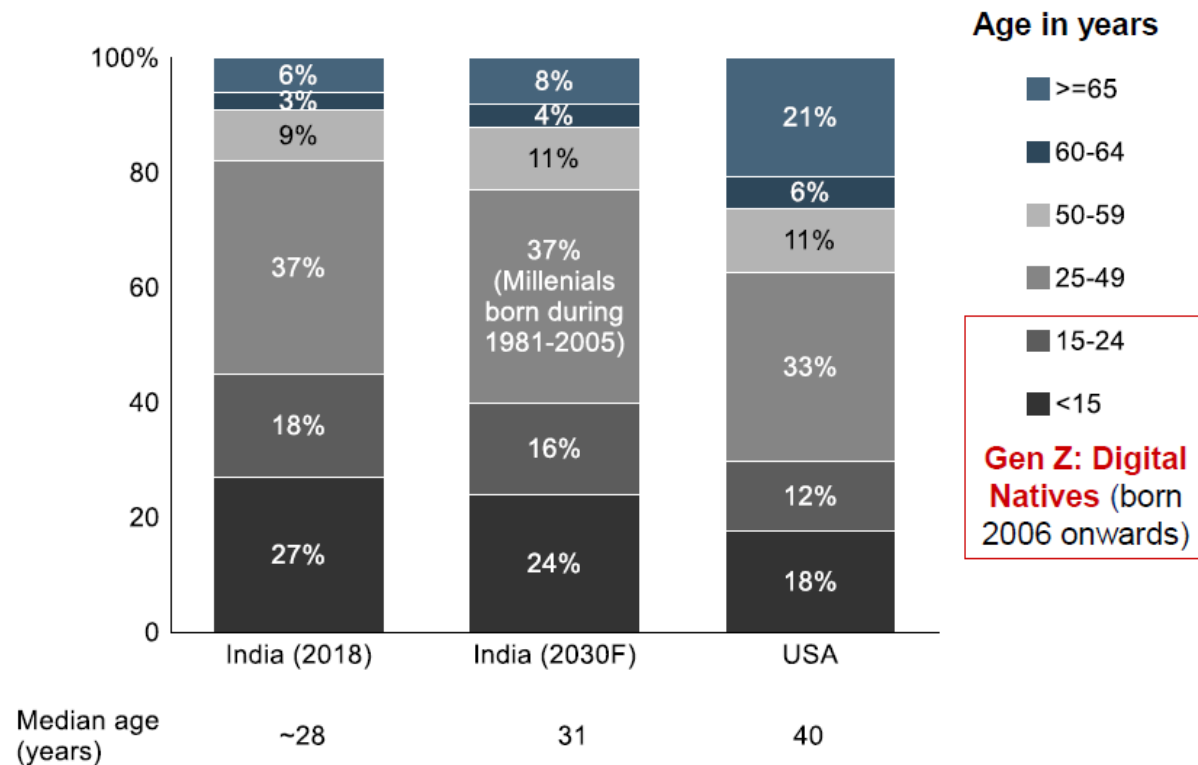
The Consumption Story – Exciting Opportunities Ahead

By 2030, India will add ~140M middle-class and ~20M high-income HH



India will be one of the youngest nations by 2030, Gen Z and Millennials will form ~77% of India's population

Population by age groups (%)



Source- Bain & Company report on Future of Consumption in India 2018-2030

Our Growth Model

Strong Cost and Efficiency Management

Penetration Led Growth

Investing and Innovating

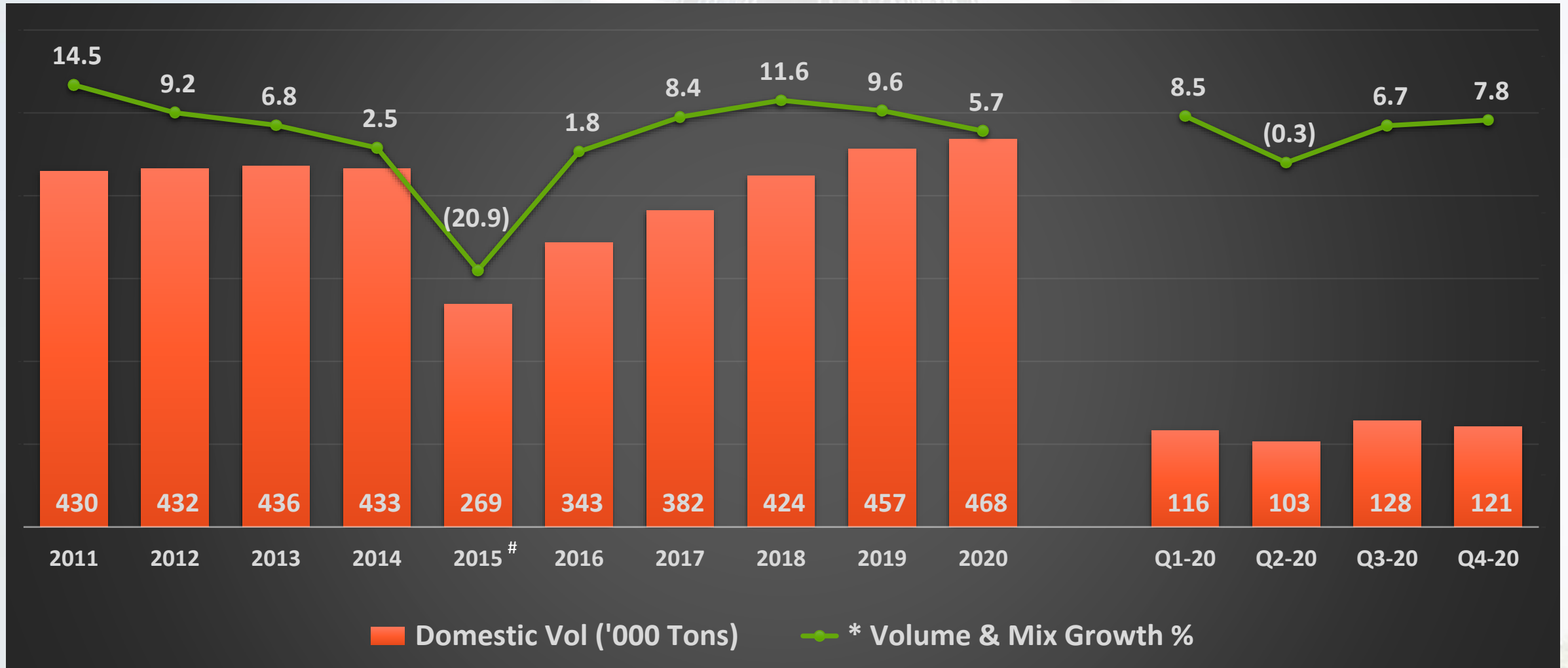
Competitive advantage through R&D expertise

Brand Salience

Leadership Position In Seven Out Of Eight Categories in most years



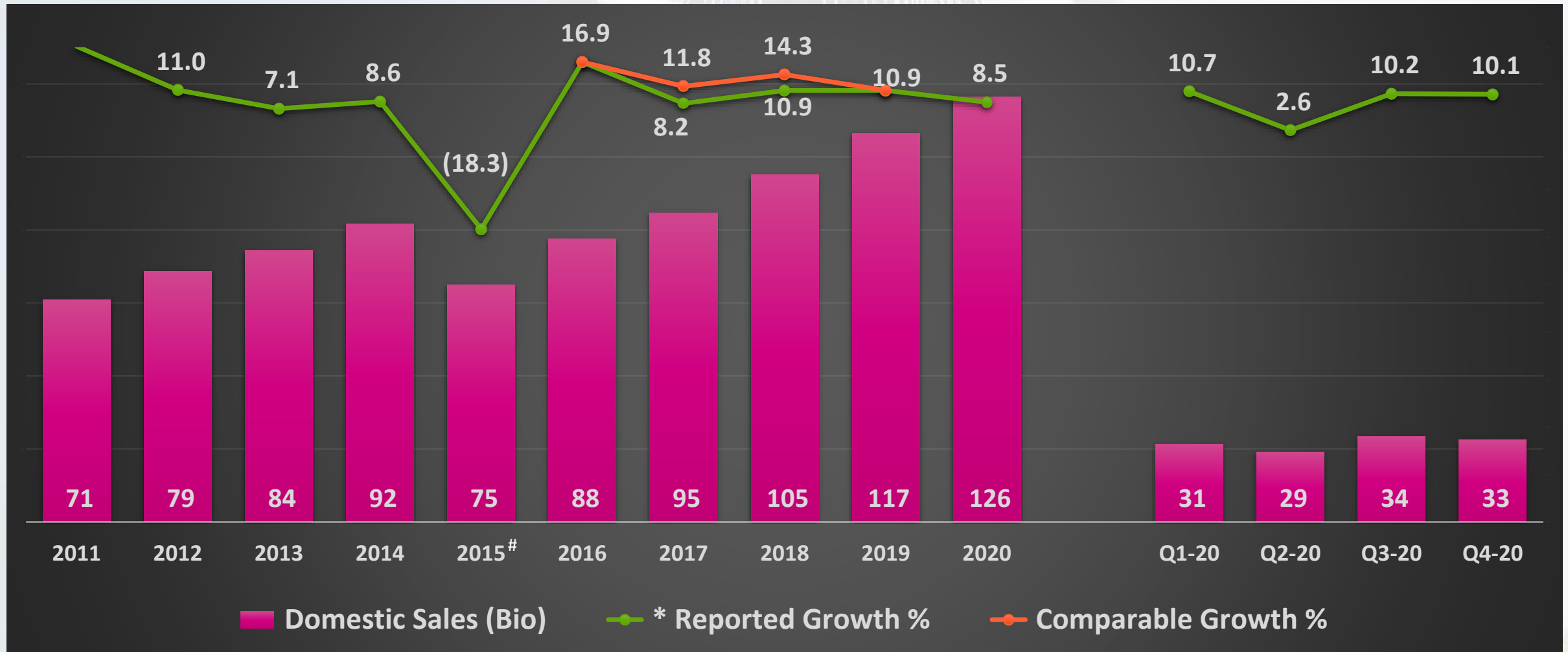
10 Years of Sustainable Volume & Mix Led Growth



2015 impacted by MAGGI Issue

* Volume and Mix Growth computed as per Internal reporting standards

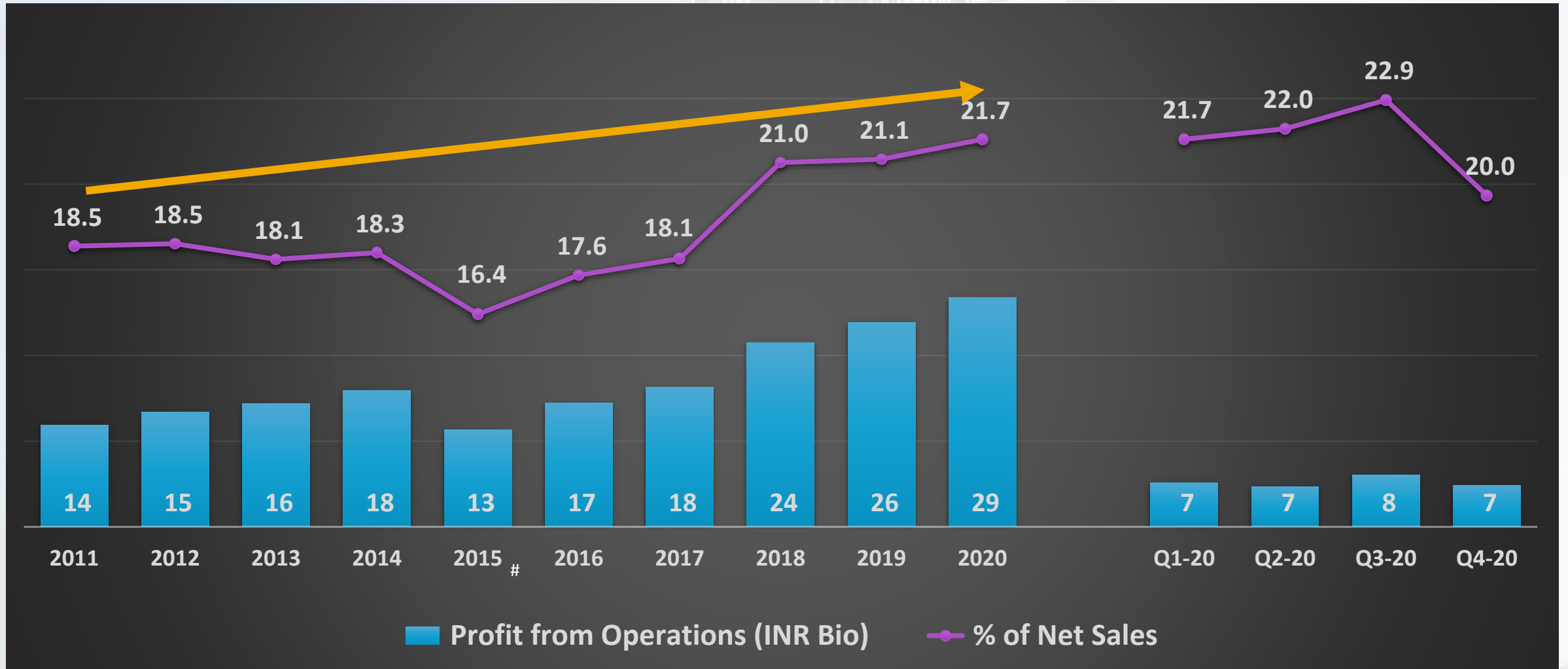
10 Years of Sustainable Domestic Value Growth



2015 impacted by MAGGI Issue

* Reported growth rates in 2017 & 2018 are adversely impacted due to lower reported sales by the change in structure of indirect taxes and reduction in realizations to pass on the GST benefits

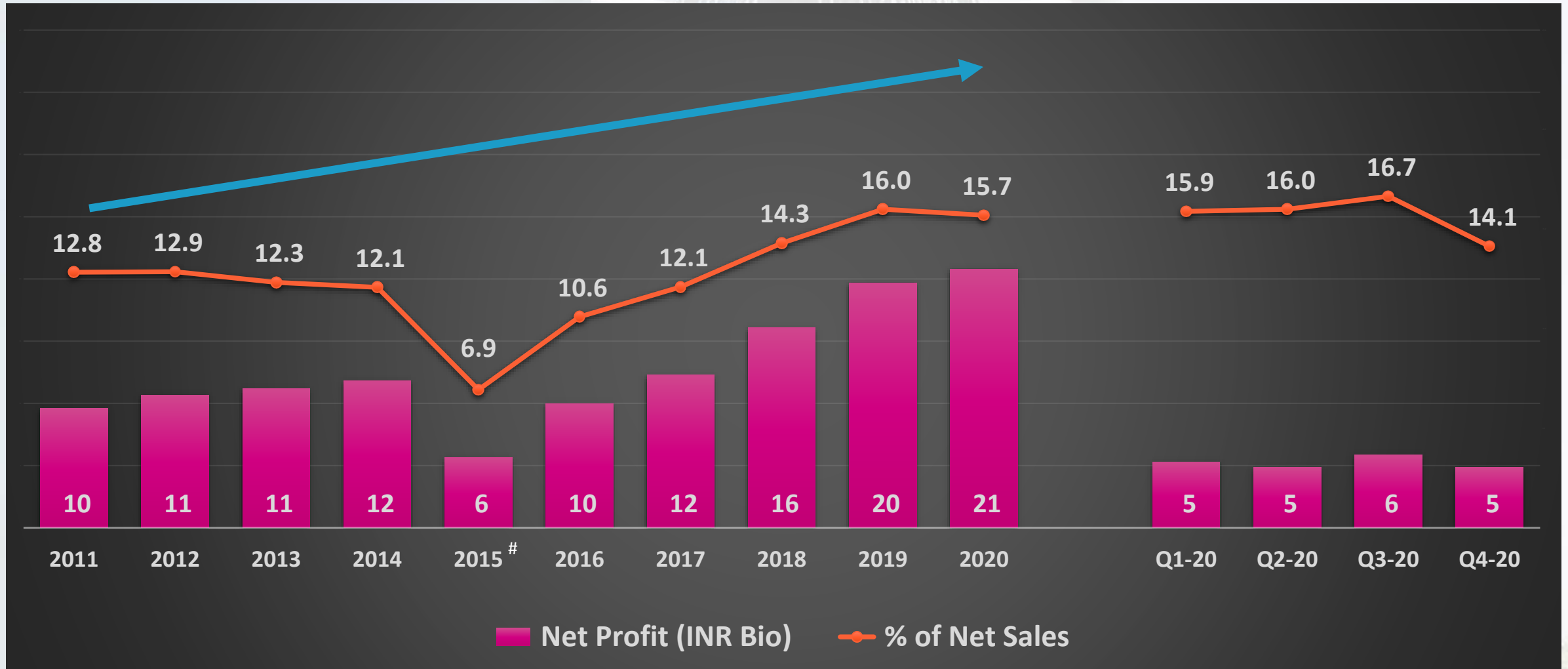
10 Years of Accelerating Profit from Operations



Profit from Operations is derived from Profit before Tax less Other Income and adding back Finance Costs (Including Interest Cost on Employee Benefit Plans), Net Provision For Contingencies (Others) and Corporate Social Responsibility Expense.

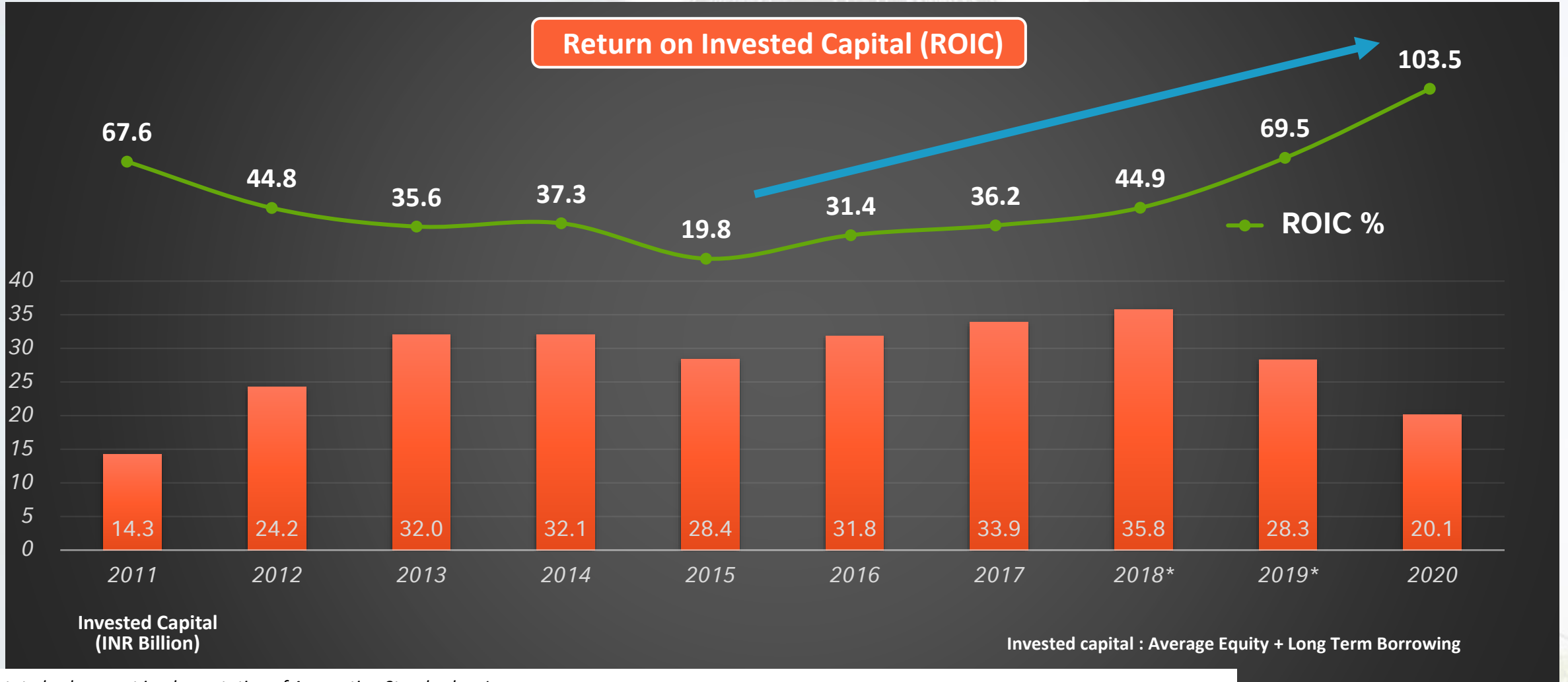
2015 impacted by MAGGI Issue

10 Years of Accelerating Net Profit



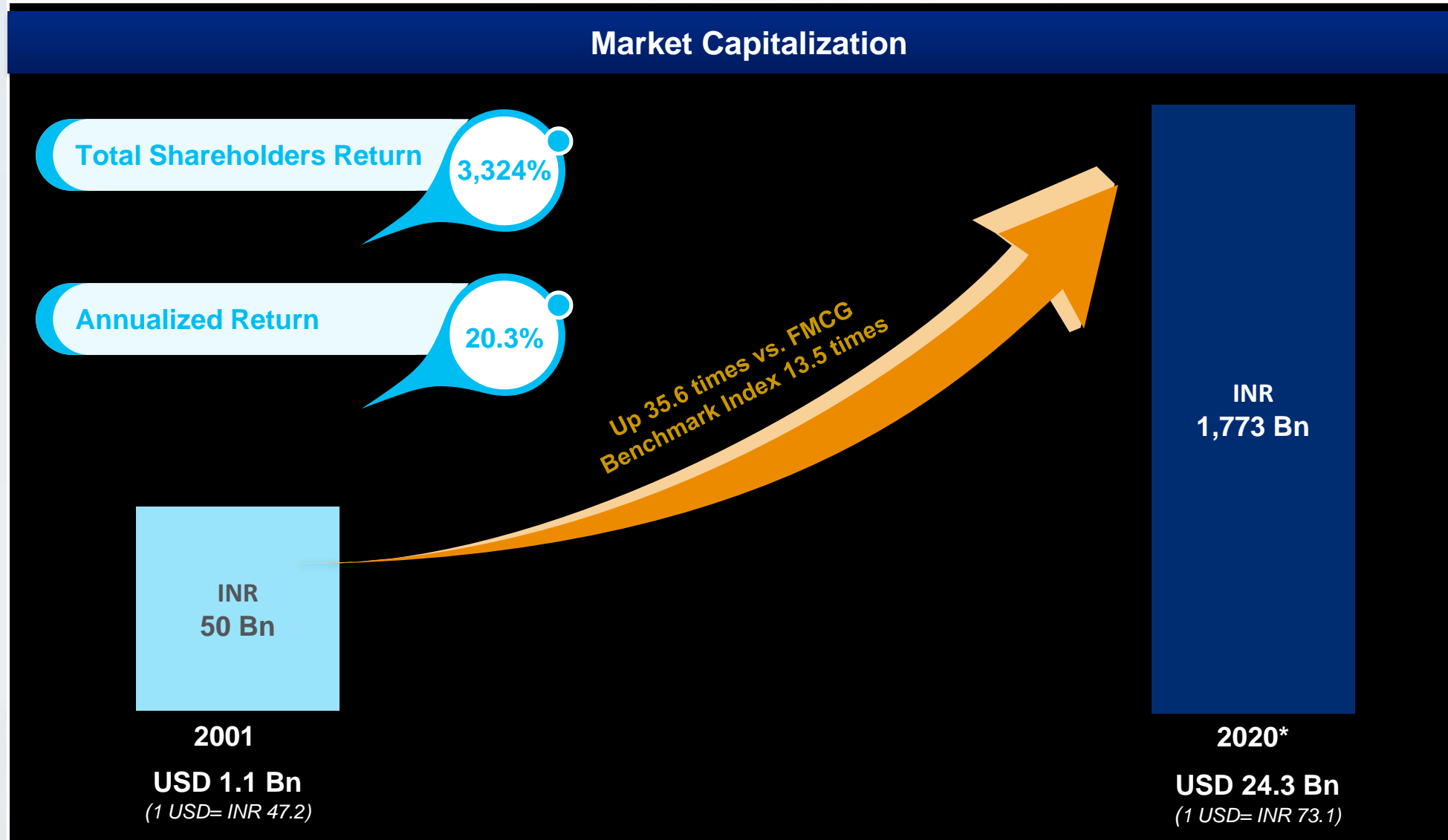
2015 impacted by MAGGI Issue

10 Years of Strong Value Creation



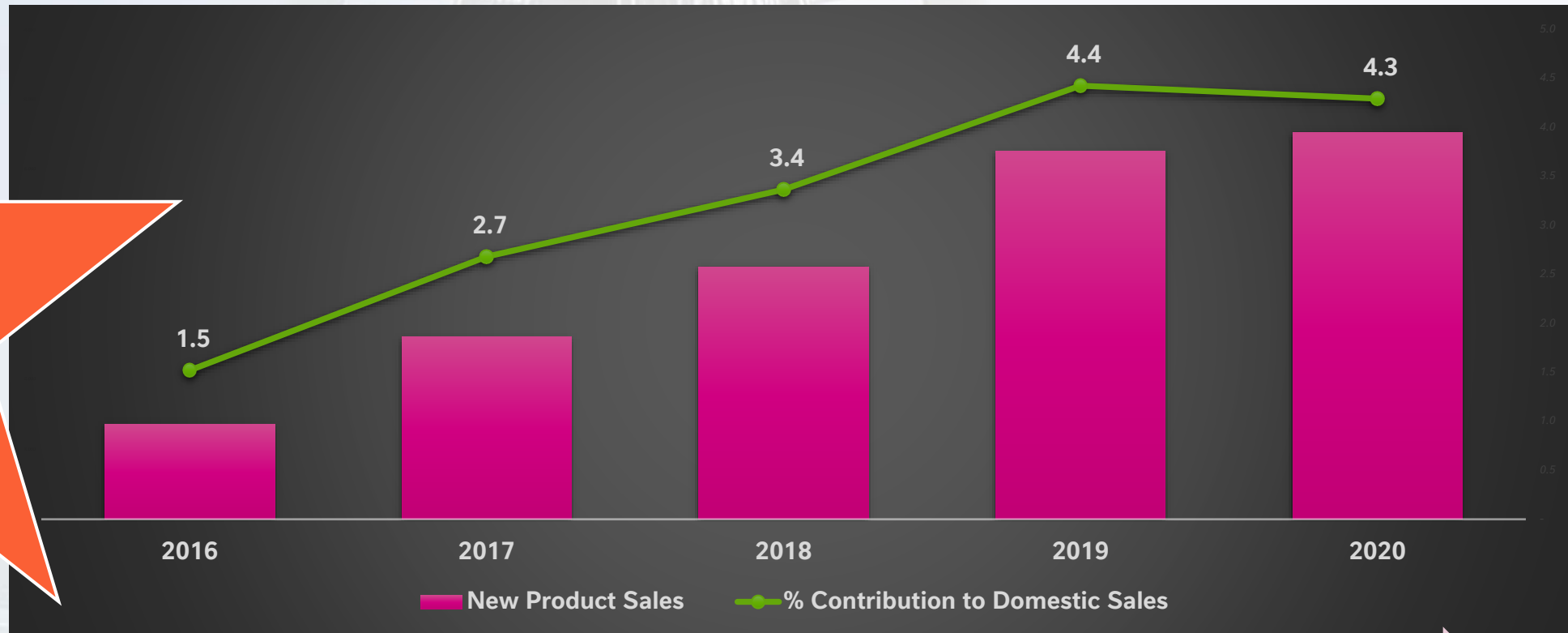
* Restated values post implementation of Accounting Standard on Leases

Leading to...Creating Significant Value For Investors



A Strong Thrust on Innovation

Over 80
new
products
in 5 years



Over 40 New Innovation Projects in Pipeline



Rapidly Accelerating our Footprint – Our Actions

Availability, Visibility & Consumer Connect

Widen Penetration



Map not to scale

Portfolio



People/Structure



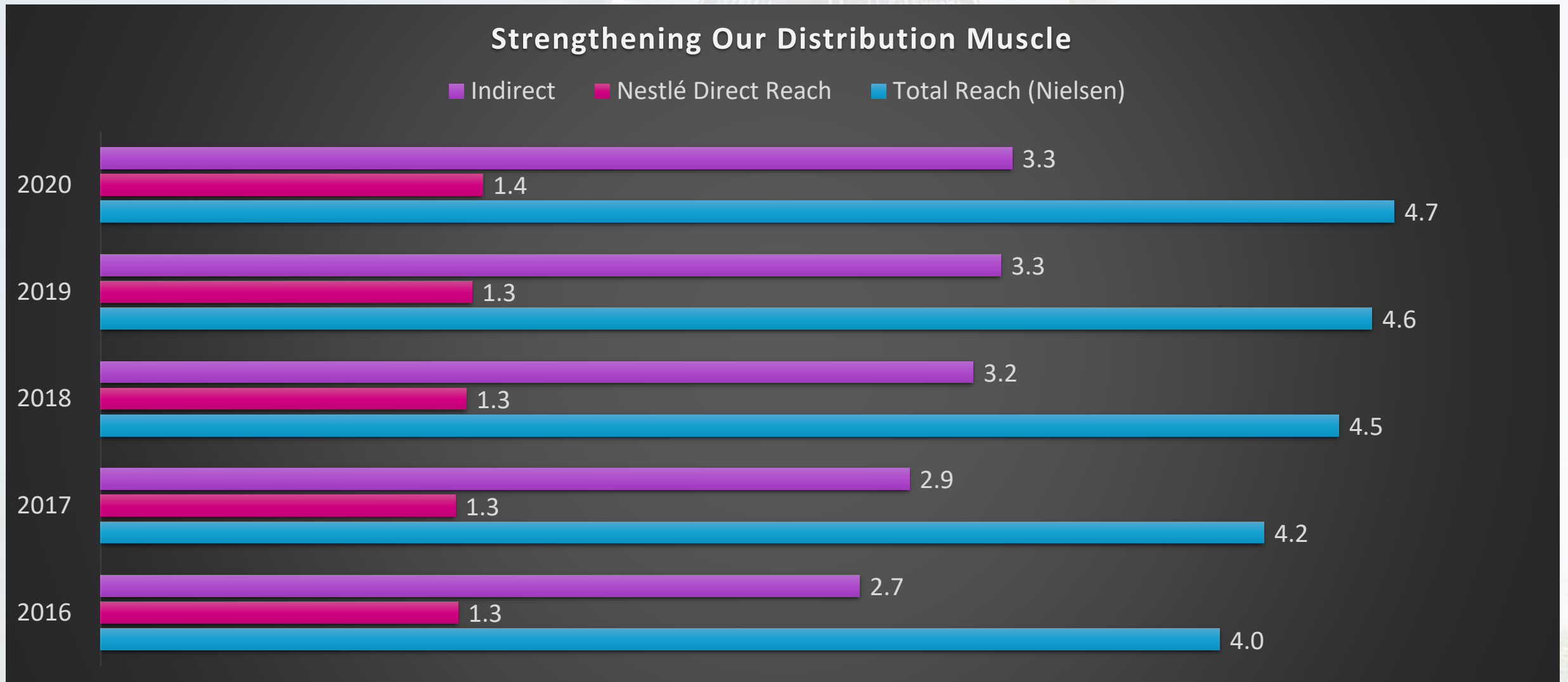
Visibility



Consumer Connect



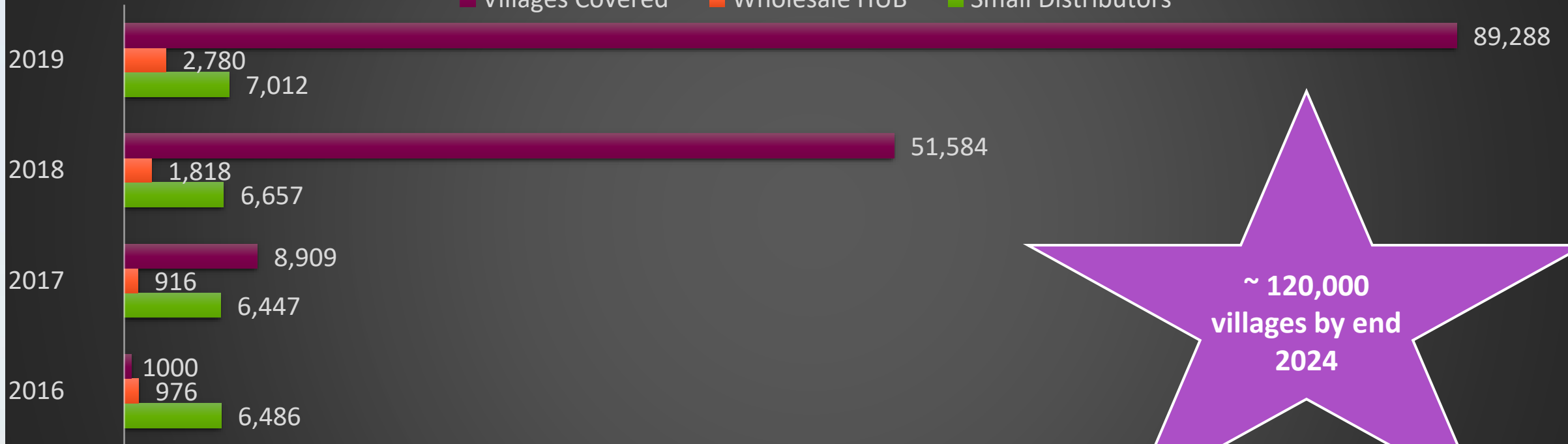
Rapidly Accelerating our Footprint – Overall Reach



Rapidly Accelerating our Footprint - RURBAN

Enhancing Rural Reach

Villages Covered Wholesale HUB Small Distributors



~ 120,000
villages by end
2024

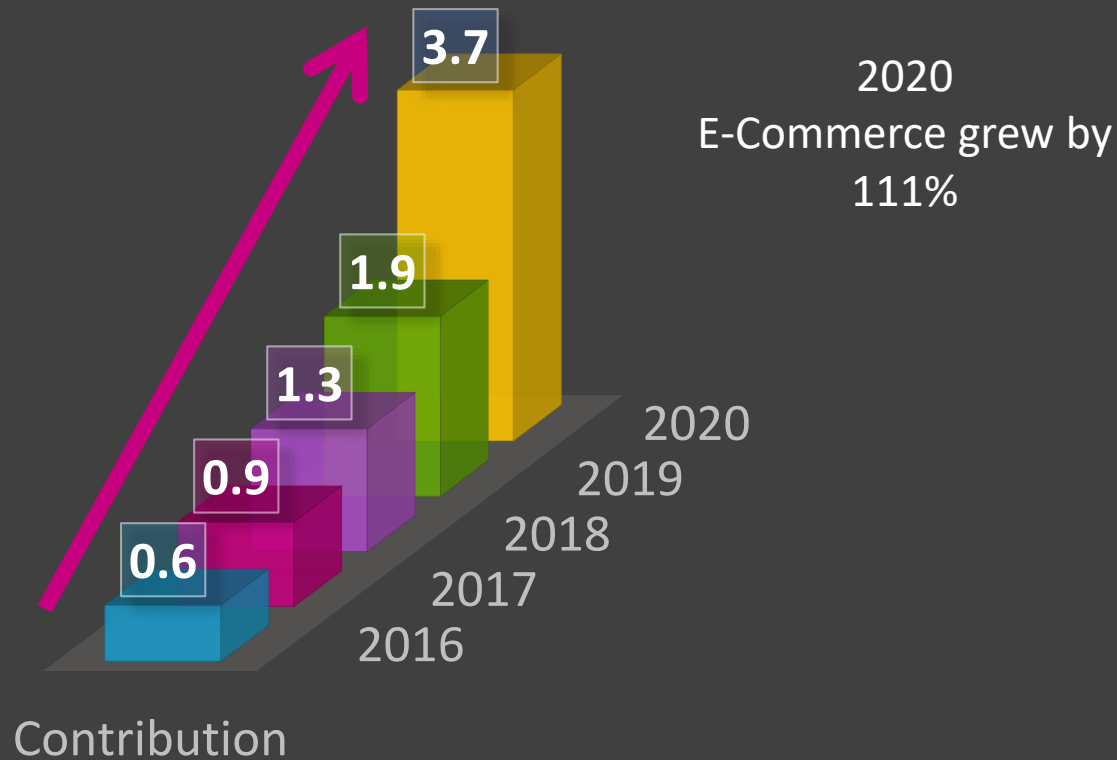
7935

Consistent presence across all Urban towns in last 5 years

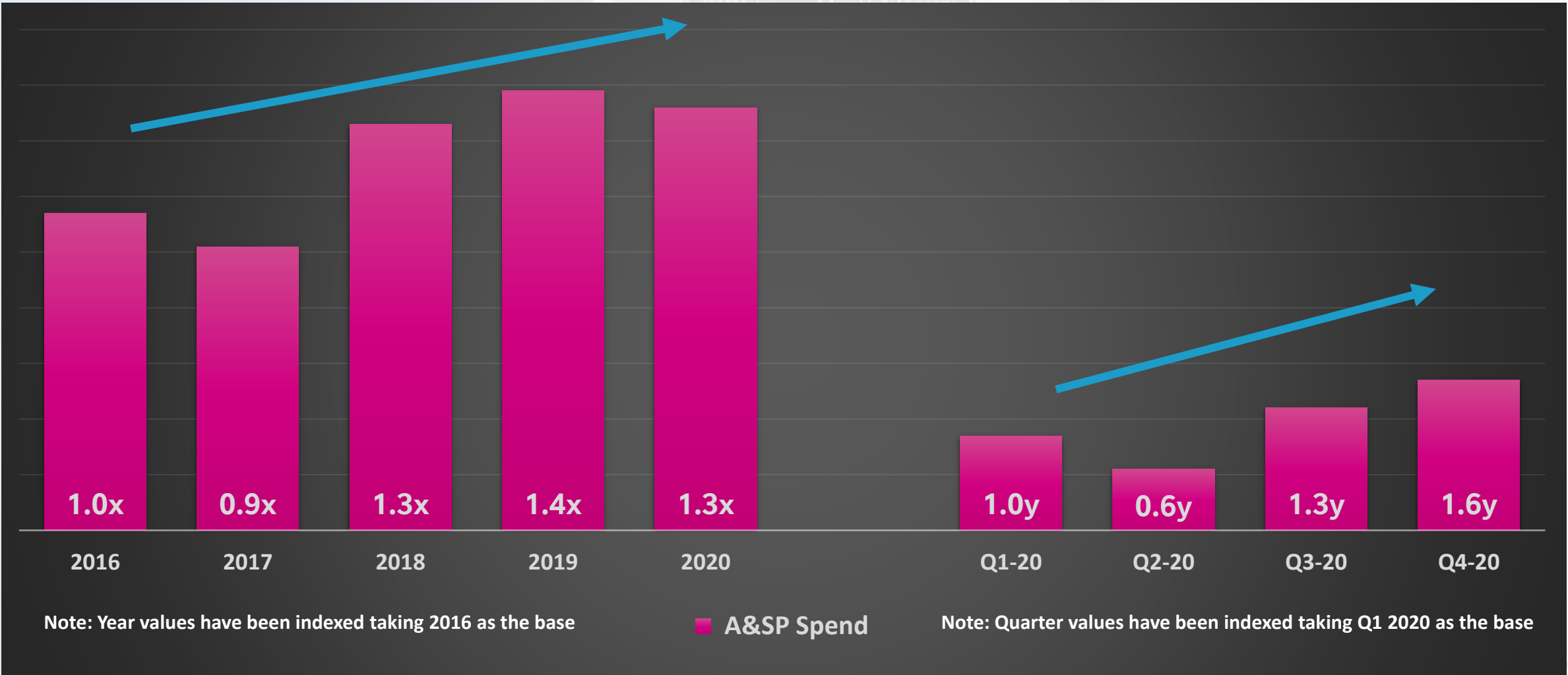
Rapidly Accelerating our Footprint – New Channels

GROWING CONTRIBUTION OF E-COMMERCE TO DOMESTIC SALES

■ 2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020

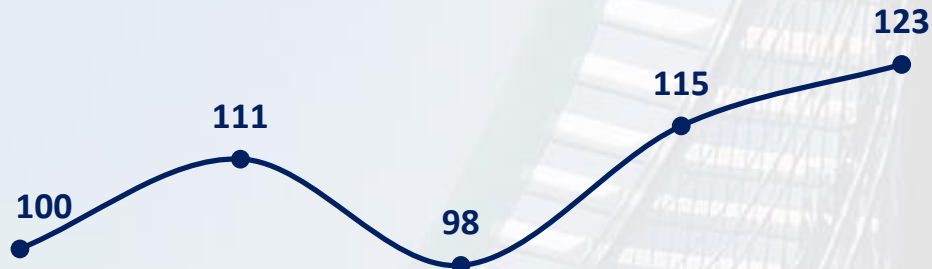
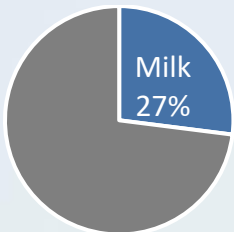


Consistent Media Support to Our Brands

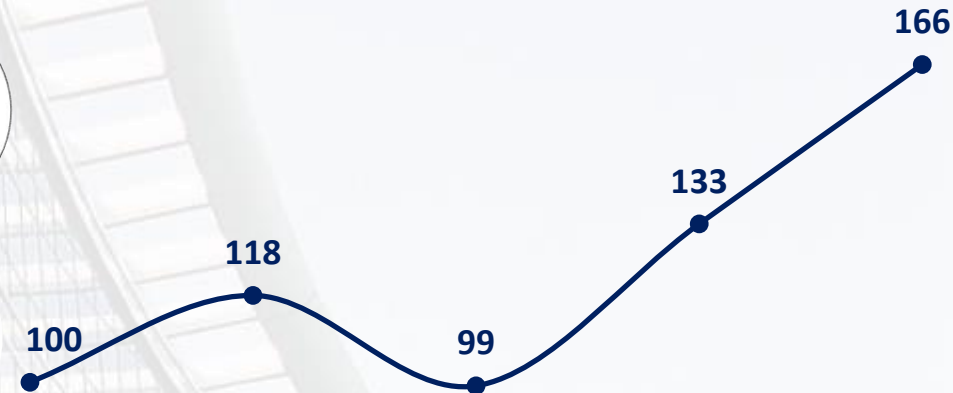
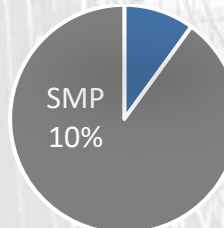


Navigating Commodity Headwinds

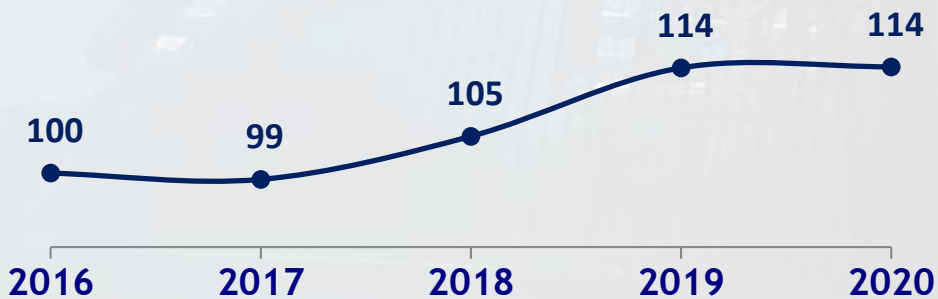
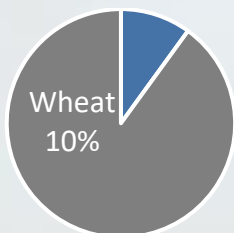
Milk



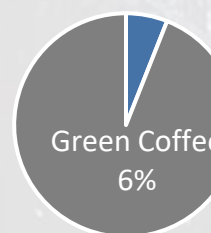
SMP



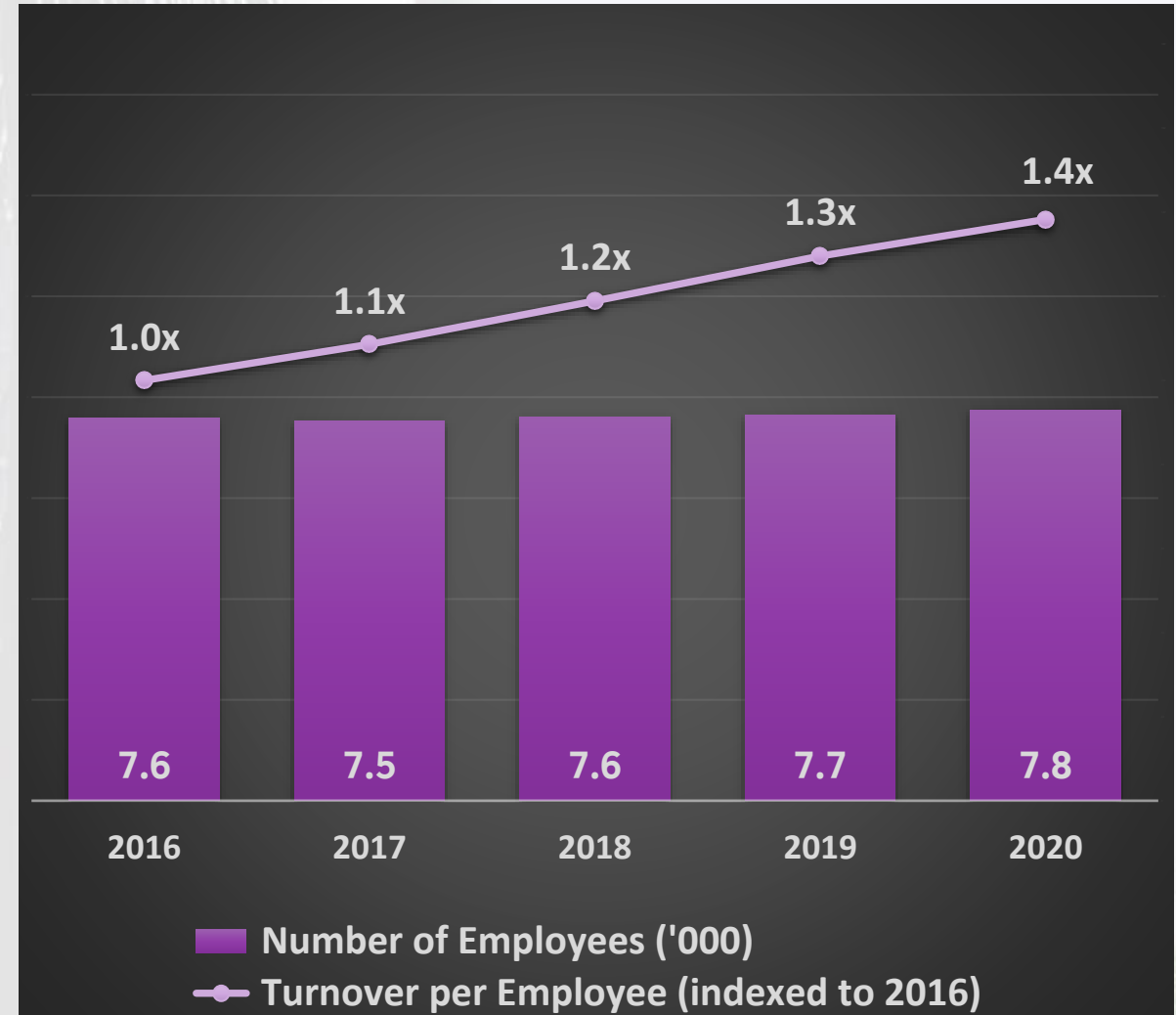
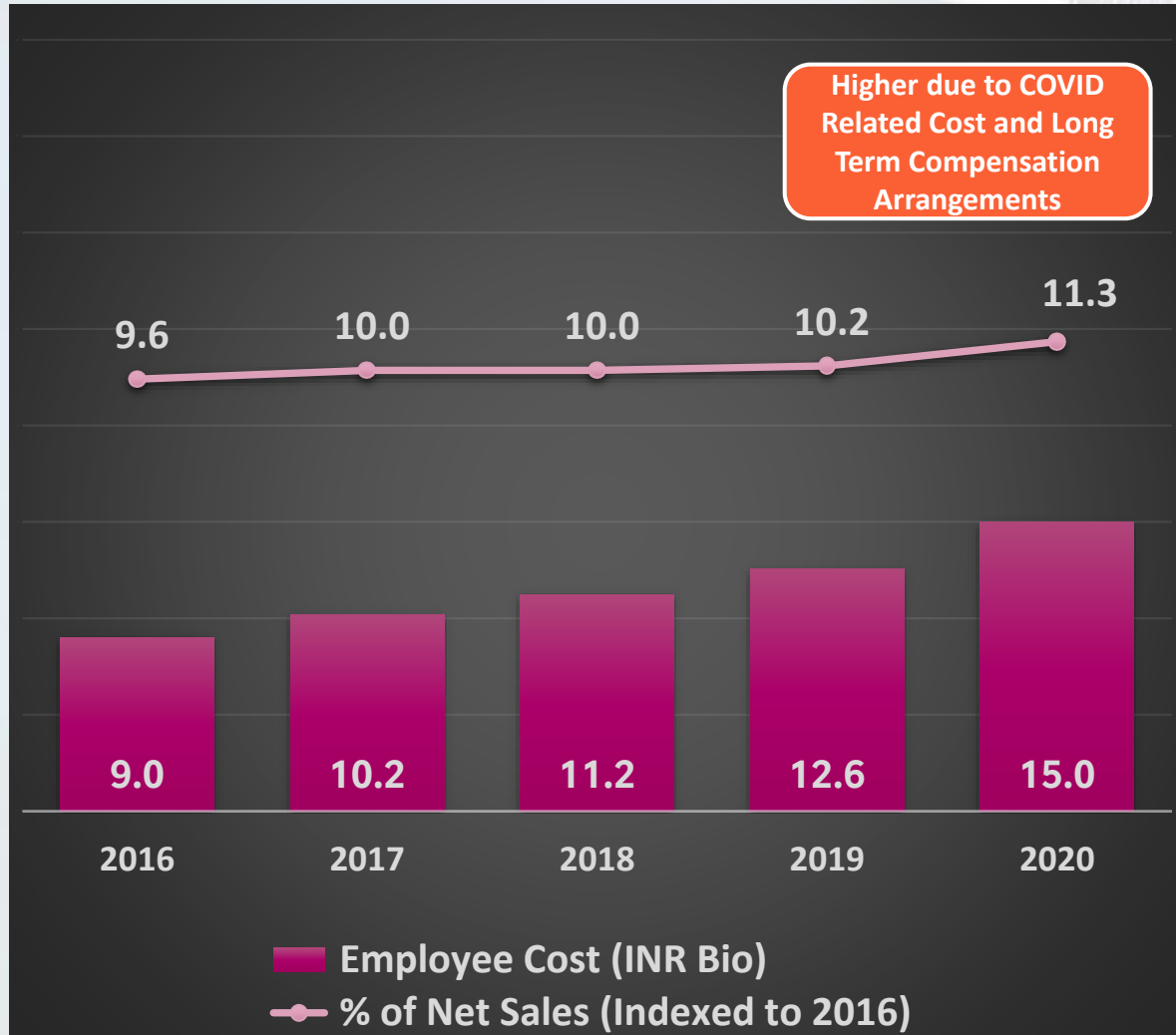
Wheat



Green Coffee



People Matter @ Nestlé



Unwavering Commitment to Sustainability and Tackling Climate Change

■ Accelerating our Sustainability Spend



Indexed 2018

Sustainable Packaging

Commitments on Water

Responsible Sourcing

Reach Zero Net Green House Gas Emissions

We Continue With Our Proven Growth Model

Strong Cost and Efficiency Management

Penetration Led Growth

Investing and Innovating

Competitive advantage through R&D expertise

Brand Salience

